



November 2, 2004

The Honorable George Dorn  
Interim Executive Director  
South Carolina Public Service Commission  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RECEIVED  
2004 NOV -3 AM 10:29  
SC PUBLIC SERVICE  
COMMISSION

Re: South Carolina Public Service Commission Docket No. 2004-267-E

Dear Mr. Dorn:

Enclosed are the original and ten (10) copies of Progress Energy Carolinas, Inc.'s Petition to Intervene in the above-referenced docket. All parties have been served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len S. Anthony', written over a large, stylized, looped flourish.

Len S. Anthony  
Deputy General Counsel-Regulatory Affairs

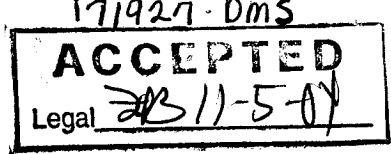
LSA:mhm

Enclosures

c: All parties of record

218892

Progress Energy Service Company, LLC  
P.O. Box 1551  
Raleigh, NC 27602



STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
DOCKET NO. 2004-267-E

2004 NOV -3 AM 10:29  
FILED

In the Matter of	)	PROGRESS ENERGY
Petition of Columbia Energy, LLC for a	)	CAROLINAS, INC.'S PETITION TO
Declaratory Order Concerning Agreement With	)	INTERVENE
SCE&G for Waiver of Qualifying Facility Status	)	

NOW COMES, Progress Energy Carolinas, Inc. ("PEC") pursuant to Public Service Commission of South Carolina ("the Commission") Rules 103-830 and 103-836, and petitions the Commission to enter an order permitting it to intervene and fully participate in the above captioned proceeding. In support thereof, PEC shows the following:

1. PEC is an electric utility organized, existing and operating under the laws of the State of North Carolina, authorized to do business in South Carolina, for the purposes of generating, transmitting, distributing and selling electric power in its service territory in North and South Carolina. Its principal office is located at 410 South Wilmington Street, Post Office Box 1551, Raleigh, North Carolina 27602.

2. The attorneys for PEC, to whom all communications and pleadings should be addressed are:

Len S. Anthony  
Kendal Bowman  
Progress Energy Service Company, LLC  
Post Office Box 1551  
Raleigh, North Carolina 27602  
Telephone: (919) 546-6367

3. Columbia Energy LLC owns and operates a natural gas-fired, combined cycle electric generation facility in Calhoun County, South Carolina. Apparently, prior to the hearing regarding Columbia Energy's petition for a Certificate of Environmental Compatibility and Public Convenience and Necessity in Commission Docket No. 2000-487-E to construct the plant, SCE&G and Columbia Energy entered into a confidential agreement pursuant to which in consideration for Columbia Energy's promise not to assert its purported right as a Qualifying

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Facility under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) to require SCE&G to purchase the out put of the plant, SCE&G promised not to oppose Columbia Energy’s petition for a certificate. Also, during the hearing in Docket No. 2000-487-E, Columbia Energy represented to the Commission that it would operate as a “merchant” facility, that is, it would not attempt to force utilities to purchase the facility’s electricity under PURPA. SCE&G honored its promise and by Order No. 2001-108, Columbia Energy was granted a certificate. The certificate granted by Order No. 2001-108 was for a 500MW plant.

4. On September 10, 2004, Columbia Energy filed a Petition for Declaratory Order with the Commission asking the Commission to declare that the confidential agreement referred to in paragraph 3 above is invalid and unenforceable. SCE&G responded by asserting that if Columbia Energy is now seeking to obtain Commission approval to breach its agreement with SCE&G, the Commission should either revoke Columbia Energy’s certificate or schedule a hearing to consider such a revocation.

5. Columbia Energy has contacted PEC repeatedly during 2004 and demanded that PEC purchase power from this plant pursuant to PURPA. PEC does not need the capacity of the plant in question in order to meet its customers’ needs. In addition, due to transmission constraints, this power cannot be relied upon to serve peak load. Regarding PEC purchasing just the energy from this plant, PEC has advised Columbia Energy that it would be willing to purchase some of the energy generated by this facility provided Columbia Energy agreed to rates, and certain terms and conditions, that protect PEC’s system and customers. PEC cannot accept the energy produced by this plant during many of the hours during the year without impacting the reliability of its system and/or increasing PEC’s cost to serve its customers. Furthermore, given that the facility constructed by Columbia Energy is larger than that allowed by its certificate, there is the strong possibility that it will attempt to force PEC to purchase more energy than the plant is certificated to produce. Therefore, if the Commission revokes or revises Columbia Energy’s certificate this will directly impact PEC.

6. Thus, PEC has a substantial interest in this proceeding. PEC supports SCE&G’s position that if Columbia Energy now wishes to repudiate the representations it made prior to and during the certificate proceeding, which were relied upon by SCE&G and the Commission, its certificate should be revoked.

WHEREFORE, PEC respectfully requests the Commission to enter an order:

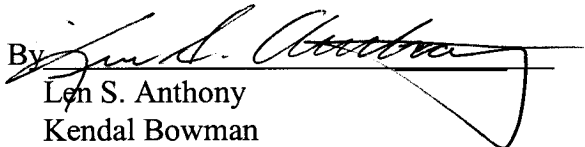
1. Allowing it to intervene and fully participate in the above captioned proceeding, including the right to examine and cross-examine witnesses, to file briefs and orally argue its positions before the Commission and to otherwise exercise all statutory rights provided to intervenors under South Carolina law.

2. Adopting such positions concerning the substantial matters at issue in the above captioned proceeding as PEC may argue and present to the Commission.

3. Awarding PEC such other and further relief as the Commission may deem just and proper.

Respectfully submitted this the 2nd day of November, 2004.

PROGRESS ENERGY CAROLINAS, INC.

By 

Len S. Anthony  
Kendal Bowman  
Associate General Counsel  
Post Office Box 1551  
Raleigh, North Carolina 27602-1551  
Telephone: (919) 546-6367

218892

CERTIFICATE OF SERVICE

I, Len S. Anthony, hereby certify that I have this day served a copy of Progress Energy Carolinas, Inc.'s Petition to Intervene in SCPSC Docket No. 2004-267-E, by deposit in the United States mail, first-class postage prepaid, on the following:

Frank R. Ellerbe, III, Esquire  
Robinson, McFadden & Moore, P.C.  
Robinson McFadden & Moore, P.C.  
Post Office Box 944  
Columbia, SC, 2920

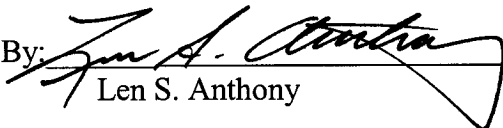
Catherine D. Taylor, Associate General Counsel  
SCANA CORPORATION  
SCANA Corp.  
1426 Main Street, 13th Floor  
Columbia, SC, 29201

Mitchell M. Willoughby, Esquire  
Willoughby & Hoefer, PA  
PO Box 8416  
Columbia, SC, 29201

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SCANA CORPORATION  
COLUMBIA, SC

This the 2nd day of November, 2004.

PROGRESS ENERGY CAROLINAS, INC.

By:   
Len S. Anthony